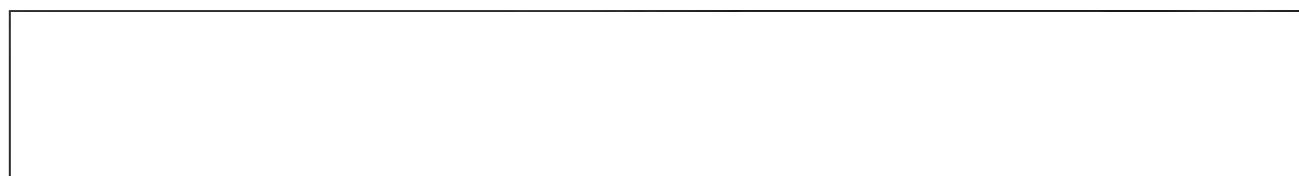


The President's Daily Brief

~~Top Secret~~ 20 November 1968



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**THE PRESIDENT'S
DAILY BRIEF
20 NOVEMBER 1968**

1. France

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2. France

The speculators were not impressed either by Couve's interview on Monday or by the German measures announced yesterday. We estimate that by closing time yesterday, French reserves had fallen to about \$3.2 billion. Another ten days of heavy losses would practically eliminate the reserves; further decisive action would have to be taken well before such a point was reached.

3. Czechoslovakia

Lubomir Strougal looks like Moscow's future candidate for a successor to Dubcek. Over the weekend, Strougal gained four important party posts from which he can maneuver against the party first secretary. Moscow's man inside the Czechoslovak leadership is discussed at Annex.

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4. Hungary -
Soviet Union

Gromyko worked out a unique cultural agreement with the Hungarians during his recent visit to Budapest. The agreement, although it broadens the ties between the two countries, seems to be less rigid than previous pacts. It also gives the Hungarians more of a voice in the exchange process. They are to be permitted to scrutinize Soviet textbooks on Hungary, for instance, and the Soviets have agreed to loosen their controls over exchange visits. After years of literary pirating, Moscow has also agreed to copyright arrangements.

The Soviets extracted a price, of course--the two countries will be coordinating their positions even more closely in international cultural forums. Even so, if Moscow lives up to its commitments, the accord should lessen the Hungarians' resentment over their client status.

5. Italy

The Christian Democrats and the Socialists still seem far from agreement on a new government, and the Christian Democratic interim cabinet which resigned yesterday may be succeeded by another one of similar stripe.

6. Egypt-Israel

We are not the only ones looking for Soviet missiles in Egypt.

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Israeli planes have conducted an intensive reconnaissance of the canal area.

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7. Japan

Yesterday's B-52 crash in Okinawa is being exploited to the hilt by the Japanese press. From now on the government will be under even greater pressure to seek removal of the bombers and to stiffen Japan's position on the status of the bases after Okinawa reverts to Japan.

The crash may produce some political fallout for Sato, even though he still seems a shoo-in in next week's elections for the presidency of his party. He has been trying to duck the whole reversion issue, but his two challengers have been pushing for tighter controls on US military activity in Okinawa.

The newly elected Okinawan chief executive has reiterated that he will demand removal of the bombers.

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8. Mali

Yesterday's army coup seems to have been triggered by friction between the army and the governing party's paramilitary arm

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TOP SECRET - CONTAINS SIGINT AND KEYHOLE MATERIAL

ANNEX

Lubomir Strougal: Czechoslovakia's
New Eminence Grise

Lubomir Strougal, elevated over the weekend to four top party posts, is not a fanatical Stalinist, but he is a heavy-handed conservative [REDACTED]. A personal friend of former party boss Novotny, Strougal nevertheless turned on him last winter and helped remove Novotny from power. He was paid off with a deputy premiership, a position he still holds.

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Strougal was arrested by the Soviets on 21 August. Perhaps because of this, he initially (and uncharacteristically) condemned the invasion as illegal. Strougal, however, quickly saw the error of his ways and subsequently stated the intervention was necessitated by "serious mistakes" on the part of the Dubcek regime. Such agility has earned the 44-year-old Strougal a reputation for being a consistent winner in the internecine struggles that pass for politics in Czechoslovakia.

The son of a cement worker from Bohemia, Strougal holds a law degree. He seldom travels and he has been outside the Communist bloc only once, on a trip to Finland.

Along with Machiavellian pragmatism, Strougal has ability and energy; he is not a flamboyant political figure. All these are characteristics which would serve him well as Moscow's man inside the Czechoslovak leadership--and there is little doubt Strougal is exactly that. He now holds four key jobs: membership on the new (potentially all-powerful) Executive Committee of the party presidium, membership in the policy-making presidium itself, membership in the secretariat (which implements policy), and the chairmanship of the party's new bureau for the Czech lands (a counterpart of the Slovak party organization). Strougal has been in touch since the invasion with Deputy Foreign Minister Vasily Kuznetsov, Moscow's on-the-scene architect of "normalization."

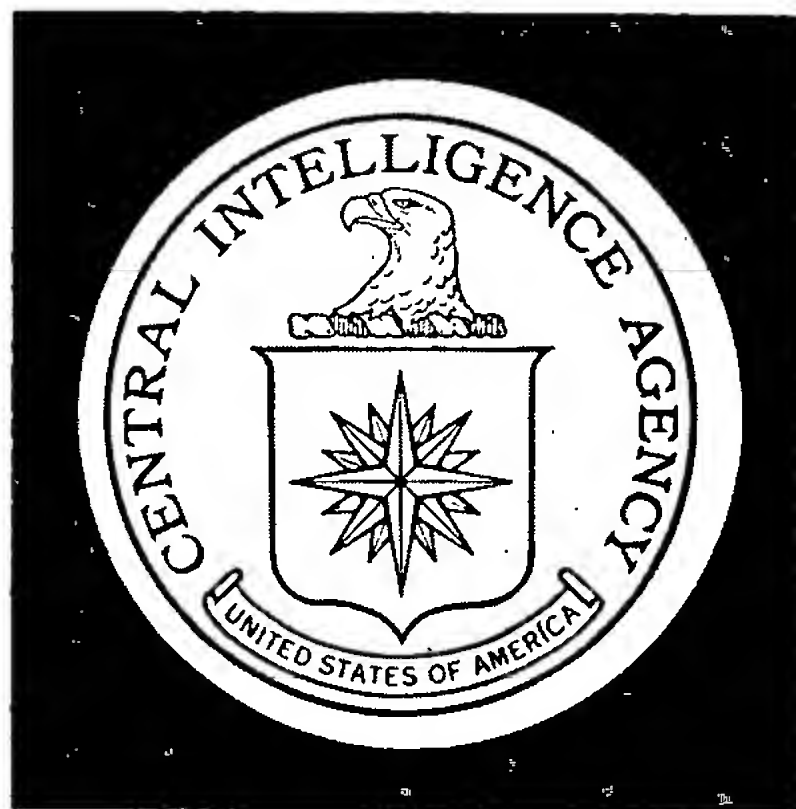
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TOP SECRET - CONTAINS SIGINT AND KEYHOLE MATERIAL

If the Soviets keep heavy pressure on the Czechoslovak regime, Strougal is in a good position to challenge Dubcek for the party leadership, perhaps as early as the next party congress in 1969. He is clearly the type of Communist about whom Moscow would feel confident. In the meantime, he presumably will continue to enjoy Soviet support and be in a position to bring other conservatives into positions of power and influence.

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FOR THE PRESIDENT'S EYES ONLY

- 1.) Special Daily Report on North Vietnam
- 2.) North Vietnamese Reflections of U S
Political Attitudes



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16

20 November 1968

Special Daily Report on North Vietnam
for the President's Eyes Only

20 November 1968

I. NOTES ON THE SITUATION

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Xuan Thuy Interview: Xuan Thuy's remarks to UPI yesterday, in which he demanded an "independent" role for the Front and rejected a "two-party conference," contained nothing new and do not, in themselves, foreshadow a procedural stalemate in Paris.

These points were also made in the North Vietnamese Foreign Ministry statement on 16 November. They may well be intended to aggravate differences between Saigon and Washington and to make it more difficult for the South Vietnamese to move to Paris. On this and other issues raised by the bombing cessation, Hanoi feels free to adopt the toughest possible public stance, but it still avoids raising any new conditions for moving on in the talks.

* * *

Rail Progress: Dual gauging of the main China-North Vietnam rail line is probably completed to Hanoi.

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The North Vietnamese, however, have had ample time to finish the 15 or so miles of dual gauge construction remaining between Dong Dang and Hanoi as of June 1968. There has been no indication, however, of dual gauge construction south of Hanoi or on the line from Lao Cai.

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The Communists have constantly repaired and improved the Dong Dang - Hanoi line since bombing began in 1965. The many improvements have included dual tracking, building of multiple crossings at main water obstacles, and opening of an alternate to the main rail line from China via Kep, Thai Nguyen, and Dong Anh.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL
ATTITUDES ON THE WAR

There is nothing of significance to report to-
day.

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